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C O N F I D E N T I A L SECTION 01 OF 02 HARARE 001352

SIPDIS

AF/S FOR B. NEULING, STATE PASS USAID FOR M. COPSON, NSC  
FOR SENIOR AFRICA DIRECTOR C. COURVILLE, TREASURY FOR J.  
RALYEA AND B. CUSHMAN, USDOC FOR ROBERT TELCHIN

E.O. 12958: DECL: 09/29/2015

TAGS: [ECON](#) [EFIN](#) [PGOV](#) [PHUM](#) [ZI](#)

SUBJECT: RESERVE BANK GOVERNOR IN THE SEARCH OF AN OPENING

REF: HARARE 1346

Classified By: Ambassador Christopher Dell for reasons 1.4 B/D

(1) (C) Summary: Commercial Farmers Union (CFU) President Doug Taylor-Freeme related that Reserve Bank of Zimbabwe (RBZ) Governor Gideon Gono asked him what the international community's minimum requirements would be for re-engaging with Zimbabwe in the agricultural sector. The farm union president viewed Gono's outreach as a last-ditch attempt by a small group of reform-minded forces in the GOZ to reverse Zimbabwe's economic decline. He understood that Gono was willing to appeal directly to Mugabe, but needed some results to gain the old man's support. The Embassy response to Taylor-Freeme was that nothing short of a comprehensive political and economic reform package and the restoration of due process and the rule of law could open the door to re-engagement. Taylor-Freeme described how the CFU was helping commercial farmers to establish themselves throughout Africa as part of the CFU strategy to keep expertise on the continent while it waits to "outsurvive" Mugabe. End Summary.

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Gono Seeks "Carrot" from International Community  
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12. (C) GOZ rabble rousing on farm takeovers, recent isolated cases of violent farm invasions, and orders issued to ten commercial farmers to cease farming (reftel) spurred CFU President Doug Taylor-Freeme to enter into a lengthy discussion on September 26 with Reserve Bank of Zimbabwe (RBZ) Governor Gono on the dire state of the sector and new threats to operation. In the course of their meeting, Gono asked Taylor-Freeme what the minimum principles or minimum requirements would be that would influence the international community's readiness to re-engage with the GOZ in the agricultural sector. Taylor-Freeme told Gono the CFU's immediate minimum requirement was a moratorium on farm seizures.

13. (C) Taylor-Freeme related to econoffs on September 27 his sense that there was a small group in government, spearheaded by Gono and Minister of Finance Murerwa, keen to make a last ditch effort to address "the meltdown." Taylor-Freeme asked if there was room in U.S. policy for some carrots for Gono. He said Gono was willing to appeal directly to Mugabe, but needed to have something to take to the old man to gain his support. Gono allegedly told the farm president that, if he had no means to influence policy, he would resign. (Taylor-Freeme opined to us it was not inconceivable that Gono could be used as a scapegoat for failed economic policies.) He also told Gono the CFU could deal a further blow to agricultural production by calling on its members to shut down or further draw down production. Econoff relayed to the farm union president the U.S. position that the only grounds for meaningful re-engagement with the GOZ were a commitment to the implementation of a comprehensive political and economic reform package and restoration of due process and the rule of law in Zimbabwe. The ball was in the GOZ's court and the USG had no "carrots" to offer Gono in the absence of concrete action to alter the course Zimbabwe is on.

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CFU - Extending its Influence in the Region  
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14. (C) Taylor-Freeme, who is also a member of Gono's so-called Public Advisory Board, explained that the aim of the CFU was to "outsurvive" Mugabe, protect agricultural assets (barns, irrigation systems and other infrastructure) and maintain farming expertise, if not in Zimbabwe, at least in the region, for a quick turnaround upon Mugabe's departure. The CFU helped farmers get access to finance and had used Gono as an ally in this regard with some success. Gono had been able in the past to intervene to defend some farmers when a businessman was invading a farm, but not when a politician or member of the military was undertaking a seizure.

15. (SBU) Discussing the evolving role of CFU in Zimbabwe and in the region, Taylor-Freeme explained that the CFU existed

to provide agricultural services to commercial farmers; it was not a political structure nor did it want to be pulled by either party into politics. He described the fresh "horsepower" the CFU was getting from the Southern African Confederation of Agricultural Unions, of which he is Vice President. He related SACAUs success in tapping into SADC, Africa Union, NEPAD and other African development institutions to promote commercial agriculture in Africa. On behalf of SACAUs, Taylor-Freeme has sought out farming opportunities across the continent from Sierra Leone to Madagascar for expropriated farmers, and worked out financing arrangements for start-up farms outside of Zimbabwe. He recounted a recent 4-day trip to Nigeria, where he met twice with President Obasanjo, who told him that Zimbabwe's agricultural policy was "not good for Zimbabwe, not good for the region, and not good for Africa". The Nigerian president said of Mugabe, although "my brother is not talking to me," he himself was "not giving up".

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Bio Notes ) Doug Taylor-Freeme  
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16. (SBU) Doug Taylor-Freeme is serving his third year as President of the Commercial Farmers Union. In addition, he is Vice President of The Southern African Confederation of Agricultural Unions. Having trained in the U.K. as an agricultural engineer, he also runs a commercial farm in the area of Chinhoyi, northwest of Harare. While he said he lost 60 percent of his holdings under fast-track land reform, he still plants 400 hectares of soybeans, 200 hectares of maize, 50 hectares of tobacco, and keeps 500 head of cattle. He spends about four days a week in Harare on CFU/SACAUs business and travels widely across Africa for SACAUs, leaving his farm's day-to-day operation in the hands of a farm manager.

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Comment  
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17. (C) Gono clearly intended for Taylor-Freeme to float a trial balloon with the Embassy as part of his ongoing campaign to portray himself as the voice of moderation and reason within the GOZ. While he always talks a good game, the truth is that both GOZ interference in the economy and the resulting economic crisis have grown on Gono's watch. Gono appears increasingly desperate to turn the economy around and it is typical of him to try to play both sides against each other to find a little more wriggle room. Gono is obviously under growing pressure and we see no reason to give him any relief.  
DELL